

EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

UNITED STATES OF AMERICA,) CRIMINAL NO. 02-00225DAE
Plaintiff,) Honolulu, Hawaii
vs.) August 31, 2007
) 10:01 a.m.
(01) ANDY S. S. YIP,) FURTHER JURY TRIAL
(02) BRENDA M. O. CHUNG,) (TESTIMONY OF
Defendants.) ERIKO DMITROVSKY)

PARTIAL TRANSCRIPT OF JURY TRIAL
BEFORE THE HONORABLE DAVID ALAN EZRA
UNITED STATES DISTRICT JUDGE

APPEARANCES:

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United States District Court
P.O. Box 50131
Honolulu, Hawaii 96850

Proceedings recorded by machine shorthand, transcript produced
with computer-aided transcription (CAT).

1 Q Did she tell you anything about a business relationship?

2 A Not really.

3 Q Now, did there come a time that you were contacted in
4 regard to a special favor or something you could do?

5 A Yes.

6 Q And do you remember approximately when that was?

7 A That was 1998, if I'm not mistaken, that year.

8 Q Okay. And who contacted you?

9 A Brenda.

10 Q And what did she say?

11 A She said: Andy has a small tax problem. Please write a
12 letter to IRS you loan money to Andy.

13 Q Okay. And how was this contact made, in person, phone,
14 how?

15 A I think first time maybe in person, but when I wrote a
16 letter I have to write it down. So, by phone and then I wrote
17 down and I wrote a letter, and I sent to IRS.

18 Q Okay. Now, did you meet -- well, let's back up just a
19 little bit.

20 I'd like to show you some documents that -- it would
21 be Exhibit 32D and -- A, B, C and D. I hope I have those
22 numbers right.

23 I'm sorry. 30, three zero, A, B, C and D.

24 THE CLERK: 30 only has 30, no A, B, C and D.

25 MR. OSBORNE: Oh, I'm sorry, it's just 30. I

1 apologize. We'll get it right eventually.

2 BY MR. OSBORNE:

3 Q Do you have it before you now? Exhibit 30.

4 A 30.

5 Q The little tab. Yeah.

6 A 30, number 30?

7 Q Number 30.

8 A Yes.

9 Q Okay.

10 MR. OSBORNE: And can you put those -- can you put one
11 of those up on -- oh, she needs glasses? All right. We'll
12 hold on until we get some glasses.

13 THE WITNESS: Sorry.

14 MR. OSBORNE: I know what that means.

15 BY MR. OSBORNE:

16 Q Okay. Do you have those there?

17 A I have it, yes.

18 MR. OSBORNE: And if you would put Exhibit 30, the
19 first one, on the board for us.

20 BY MR. OSBORNE:

21 Q When did you first see this document?

22 A I never -- sorry, it's -- I didn't -- I didn't type this,
23 I didn't sign this, it's not my signature.

24 Q Okay. And did you ever loan \$50,000 to Mr. Yip?

25 A No.

1 Q Now let's go to -- and this was in December of 1995, I
2 think is the date; is that right?

3 A Yes, it's -- but I never did.

4 Q Okay. And this is even before Ms. Chung asked you to
5 write a letter; is that right?

6 A Absolutely.

7 Q Okay. Now let's look at the next one, I believe that's
8 August 31st. You ever seen this note?

9 A No.

10 Q Did you, in August of 1995, loan Mr. Yip 50,000?

11 A No.

12 Q Now let's go to the next one. June the 30th, 1995. Have
13 you ever seen this?

14 A No.

15 Q Did you loan Mr. Yip 50,000 in 1995?

16 A No, I didn't.

17 Q And finally, there's a note for \$100,000. Did you loan
18 Mr. Yip \$100,000 in 1995?

19 A No, I didn't.

20 Q Now, these notes were presented to the IRS in March of
21 1998. Had you discussed these notes with Mr. Yip before that?

22 A No.

23 Q Did you and the Defendant Chung have any discussions
24 concerning the amount of money she said that you were supposed
25 to have learned -- loaned?

1 A Yes.

2 Q Okay. And tell us about that. First of all, where did
3 those discussions take place?

4 A Where, I don't quite remember which restaurant or hotel,
5 but the amount was 500,000.

6 Q That was what, what Ms. Chung said she wanted?

7 A No, for Andy.

8 Q Okay. All right. And you were to say you had loaned
9 500,000?

10 A No, I said I cannot.

11 Q Okay. Was there anybody present during these discussions
12 except you and the Defendant Chung?

13 A No.

14 Q Okay. Why did you say you couldn't say you had loaned
15 500,000?

16 A Because it's too much money. And also, she said it's
17 confidential matter, so I cannot ask any of my bank or
18 financial advisers. So I have to decide, but I thought it's
19 too much money, so I said no.

20 Q Did the two of you ever agree on an amount you were
21 willing to say you had loaned?

22 A I said maximum 350,000.

23 Q And let's look, if we can, at Exhibit 32D. Hopefully it's
24 in that same box and -- book and hopefully I have the right
25 number. Okay.

1 A 32B?

2 Q 32D as in dog.

3 A Okay.

4 Q And had you ever seen this note?

5 A No.

6 Q Did you ever loan Mr. Yip \$100,000?

7 A No, I didn't.

8 Q This note and the others equal \$350,000. Did you ever
9 give Mr. Yip \$350,000?

10 A No, never.

11 Q Now let's look at Exhibit 31. You mentioned a letter that
12 you were to write the IRS. What's this?

13 A This is a letter I was asked to write to IRS by Brenda.

14 Q Okay. And did you send it in?

15 A I did.

16 MR. OSBORNE: And we would move Exhibit 31 into
17 evidence.

18 MR. LUKE: I have no objection.

19 THE COURT: Be received.

20 (Government's Exhibit 31 was received in evidence.)

21 MR. OSBORNE: And if we could put that up, please.

22 BY MR. OSBORNE:

23 Q Why did you send this letter to the IRS?

24 A Because, again, Brenda was more than my friend, she was my
25 sister, like my real sister. And she helped me so much when I

1 was alone, sad. So I just did it.

2 Q Okay. Did you discuss what was to be in the letter with
3 anybody?

4 A No.

5 Q Okay. Where did the amount, the first line up there says
6 total amount: \$350,000?

7 A Yes.

8 Q Yeah, where did that come from?

9 A Well, this is the maximum that I thought I could give just
10 a letter.

11 Q Okay. And then it says the years '95 and '96. How did
12 you know that those years were important?

13 A I just wrote a letter exactly what Brenda told me.

14 Q And how did Brenda tell you what to put in the letter?

15 A Exactly the -- the letter I wrote.

16 Q Okay. But I mean, was she present when you were
17 writing --

18 A No, by phone.

19 Q By phone. All right. Who told -- was it Brenda that told
20 you the money was loaned numerous times?

21 A Brenda -- I wrote exactly what I was asked.

22 Q Okay. Did you ever show this letter to either Brenda or
23 Mr. Yip before you mailed it?

24 A Maybe I sent a letter by fax. I don't believe that I
25 mailed it to them.

1 Q But you think you might have faxed?

2 A I think so, yes.

3 Q And to who did you fax it?

4 A Brenda.

5 Q Now, did you ever meet with anyone to discuss this letter?

6 A No.

7 Q And now let's look at Exhibit 34 in evidence.

8 MR. OSBORNE: If we can show that.

9 BY MR. OSBORNE:

10 Q Do you remember this letter?

11 A No.

12 Q Okay. Do you remember being asked by anybody at the IRS
13 to provide documents supporting your loan, like notes and
14 checks?

15 A No.

16 Q Do you remember a meeting at the Halekulani Hotel?

17 A Mm-hmm.

18 Q Who was at that meeting?

19 A Brenda, Andy and one gentleman and myself.

20 Q Do you know the name of the gentleman?

21 A I don't remember.

22 Q And who was he supposed to be?

23 A Andy's lawyer.

24 Q And how -- why did you have this meeting?

25 A Regarding the loan.

1 Q Okay. How did it come about that there was a meeting
2 regarding the loan, did you call and ask, did --

3 A No, I was -- no, Brenda called me --

4 Q Okay.

5 A -- and we have lunch together.

6 Q All right. So this is a lunch meeting?

7 A Yes.

8 Q Other than saying let's get together for lunch, did
9 Ms. Chung tell you anything about why you were having this
10 meeting?

11 A Not exactly.

12 Q So you arrive at this luncheon meeting and there are these
13 three people present?

14 A Mm-hmm.

15 Q And what do you talk about at the meeting?

16 A Well, I wouldn't have any problems, I just have to write a
17 letter and then send IRS and then of course I signed, but I
18 wouldn't have problem.

19 Q I'm sorry, ma'am, I'm --

20 A I wouldn't have problem by writing and sending a letter to
21 IRS.

22 Q Okay. Did you say you didn't have any problem; is that --

23 A No, Brenda -- well, I mean they said to me I wouldn't have
24 problem by writing a letter, sending a letter to IRS.

25 Q All right. Do you remember which one of them said it

9

1 would be no problem?

2 A Brenda definitely and then the gentleman, but I don't
3 remember his name.

4 Q Okay. Well, that's fine. And then it was after this
5 meeting that you had the telephone calls and you wrote the
6 letter?

7 A Mm-hmm.

8 Q All right. After you wrote that letter -- oh, by the way,
9 how did you know who to write the letter to, this letter -- and
10 then we can put it back up, if you would, I'm sorry -- this
11 letter is to a Ms. Emerald Liburd, or Liburd I think she
12 pronounces it. How did you know to write it to this person?

13 A Well, whole thing I was told who to write, how to write,
14 the wording by Brenda. I never met her, I never knew her.

15 Q Okay. But there did come a time when you did have a
16 meeting with Ms. Liburd, didn't you?

17 A Yes.

18 Q Okay. How did that happen?

19 A She contacted me and she said: I have some question to
20 you regarding the letter you sent to me.

21 Q Mm-hmm. And so did you agree to meet with her?

22 A Yes, I did.

23 Q Did you say anything to either of the defendants
24 concerning the meeting you were going to have?

25 A Of course I called Brenda.

1 Q And what did you say?

2 A Actually I was leaving country next day. She said: You,
3 don't need to go, you are very busy. But I decided to meet
4 her.

5 Q Okay. So, you went to the meeting?

6 A Yes.

7 Q And what happened at that meeting?

8 A She asked me the question how --

9 Q Ms. Liburd?

10 A Yes, Mrs. Liburd.

11 Q Mm-hmm.

12 A She asked me the questions: How did you bring all this
13 money to this country? So like the letter, I asked my friends,
14 each one of them, each time \$10,000.

15 Q Okay. Where -- where had you gotten that idea to say your
16 friends --

17 A I was told by Brenda, \$10,000 each friend of mine.

18 Q Mm-hmm. And when was it that Brenda had said: Say that
19 your friends brought 10,000?

20 A Each time?

21 Q Yeah.

22 A Before I went to the meeting.

23 Q And then Ms. Liburd challenged you and said that doesn't
24 add up, right?

25 A Yes.

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